

December 30, 2005

DWD ISSUANCE 05-05

Subject: Increasing the Potential Transfer Amount between the Workforce Investment Act (WIA) Adult and Dislocated Worker Programs for the Local Workforce Investment Boards (WIBs)

- 1. Purpose:** The U.S. Department of Labor (USDOL) recently approved the state of Missouri's waiver request giving the state the authority to approve local area requests to transfer more than the 30 percent limit that Congress has approved of their allocations between the WIA Adult and Dislocated Worker program. Included in the state's request was to waive the provisions of WIA Section 133(b)(4) and WIA Regulations 20 CFR 667.240, which state that a local board may only transfer up to 20 percent of the funds between the Adult and Dislocated Worker programs. (This limit was raised to 30 percent through USDOL's Training & Employment Guidance Letter 23-02, which stated that Congress increased the transfer limit in their appropriations, beginning in Program Year 2003.) This waiver will now allow Missouri to have more flexibility in serving the distinct needs of each local workforce investment region.

The purpose of this issuance is to provide policy on utilizing the provisions of this new waiver for transfer authority.

- 2. Background:** Local regions have been requesting additional flexibility in the use of WIA formula funds to better meet the training needs of the region's high-skilled, high-demand jobs through more flexible funding. As stated above, in the past, the transfer amount was limited which hindered the region's flexibility to meet the needs of their local economy.
- 3. Substance:** Each local WIB receives allocated WIA formula funds for services to Adult and Dislocated Workers for their region. This issuance will now allow regions to request a transfer of funds and their justification for the transfer using the local plan modification process. Local regions will now be able to request to transfer more than 30 percent of their annual Adult and Dislocated Worker formula funds between those two programs as needs are identified.

The WIB should analyze the changing economic conditions in their region in order to identify a need for additional flexibility. If such a demand exists, the WIB can submit a local plan modification to the Division of Workforce Development (DWD) with the following information:

- The percent and dollar amount of the region's Adult or Dislocated Worker formula funds to be transferred between the two allocations.
- The justification for this transfer as detailed in "Missouri's Strategic Two-Year WIA/Wagner-Peyser for PY 2005-2006:"

Transfers between the Adult and Dislocated Worker program will be required to be explained or described in the local plan to include the following information:

- 1) general purpose or reason for the transfer between Adult and Dislocated Worker programs;*
- 2) an explanation of the need for the transfer between Adult and Dislocated Worker programs (example: an increase in the number of welfare recipients in the area and/or a decrease in the number of plant closings and mass layoffs);*
- 3) narrative explanation of how the transferred funds will be used (example: increased staffing at the one-stop in the local areas, tuition assistance for dislocated workers, etc.);*
- 4) if Dislocated Worker program funds are being transferred to the Adult program, justification that clearly demonstrates there have been no significant plant closings or mass layoffs in the area in recent months; and*
- 5) modifications or revisions to the approved local plan to transfer funds between the Adult and Dislocated Worker programs must include all of the information required above in 1-4.*

The Governor will not approve modifications or revisions to the local plan at the end of the program year to transfer funds to avoid under-obligation or under-expenditure penalties or reallocation of funds.

Transfers between the Adult and Dislocated Worker programs are based on the local workforce investment area original, reallocated, or re-allotted formula allocation for a program year.

- Transfer requests will be accepted throughout the program year; however, they will not be accepted between June 1st and June 30th of each program year due to closeout processes.

- Please note that regions are still expected to continue operating Adult and Dislocated Worker programs, and are also expected to meet their agreed upon performance numbers, regardless of the funding transfer. This is required under CCR 661.420 (e)(3).
- Once approved, DWD will monitor the affected region for positive performance outcomes.

4. **Action:** This information should be distributed to appropriate staff.

5. **Contact:** If you have questions, contact Randy Cottrell at (573) 526-8242 or Rita Holtmeyer at (573) 751-5219.



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RN/SS/AH/JC

c: WIB Chairs
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